

What if the entire decision is made at the local level by banks, by city councils, who are themselves so fearful of the electorate in their area, so they say I have to make friends with this constituency, so let us accept this matricula consular. Let us tell our police to accept it, tell our cities, our urban authorities, our housing authorities to accept it. Let us go ahead and give amnesty. The Congress will not do it, so we will do it.

Well, I hope, Mr. Speaker, that people all over this country will look at this issue, will ask their banks, will ask their city council, will ask their police, why are you accepting this bogus form of identity that is not given to you by the Government of the United States or by the State of whatever, but by a foreign government, at a time when we are suspicious and fearful of exactly what kind of thing can happen when people come in and steal identities in the United States, open up accounts under bogus names, transfer money into terrorist organizations?

There are all kinds of things that can happen. It becomes a breeder document. This is a very dangerous thing, and I wonder what our government is going to do. I wonder what happened today at the White House, after the Treasury Department was over there trying to get them, Treasury and State were trying to get the Federal Government, the President, to agree to accept this matricula.

I know the Homeland Defense Agency is opposed to it. I know. I saw a draft that was produced by Homeland Defense that said this should not be, that no Federal agency should accept this, and that draft was making its way up to the White House, up to the highest level. That is why all of a sudden all of the activity is over there, because they are getting ready to announce the policy of the Federal Government on the matricula consular. And I urge everyone, Mr. Speaker, everyone to understand that, to recognize it, and to pay close attention to what happens here. This is important for us all as Americans. Pay close attention to this issue.

Mr. Speaker, this issue of the matricula consular is just one of many that we have to deal with in terms of immigration and immigration reform, but it is a great example of the threat we face and the many facets of immigration and the need for immigration reform. I will, for as long as I can anyway, continue to bring these issues to the attention of this body and to the American people.

#### THE FACTS ABOUT FEDERAL PRISON INDUSTRIES

The SPEAKER pro tempore (Mr. COLE). Under the Speaker's announced policy of January 7, 2003, the gentleman from Michigan (Mr. HOEKSTRA) is recognized for 60 minutes.

Mr. HOEKSTRA. Mr. Speaker, tonight I want to spend a few minutes talking about one of the fastest grow-

ing companies in America today. It pays its workers somewhere between 23 cents an hour and \$1.15 an hour. It has a wide array of products. It pays no Federal taxes, it pays no State or local taxes. As I said, it is one of the fastest growing companies in America today.

There are a number of reasons why this company is growing so fast. It has a lock on one of the largest customers in America. That customer cannot buy products or services from anybody else, unless that company provides that customer a waiver saying, all right, we are permitting you to go and purchase product from a competitive source.

It is a company that, on bid day, where companies X, Y and Z have submitted their bids, this company can say at the bid opening, X, Y and Z, please provide me with all of your bid documents, and this fourth company can come back and say, you know, I will get back to you in a week or so to see whether I can match those bids. I will submit my bid in a week, now that I know what these other three companies have bid, and I will see if I can match their price. By the way, if I can match their price, the bid is mine, regardless of whether the customer believes the quality meets the standard that the customer has set, whether the delivery schedule meets the standard that the customer has set, and now we know that they can match on price.

So you have a couple of questions. Who is this fast growing company? My colleagues are probably saying, that sounds like a company I would like to buy stock in. The economy is slow, not as healthy as what we would like it to be. Who is this fast growing company, and what customer do they have a lock on? That is a very strange procedure by which to purchase a product or a service.

Well, let me tell you that the company that is the fast growing company is called Federal Prison Industries. The customer is the American taxpayer as represented by the Federal Government. The company is called Federal Prison Industries. Its other name is UNICOR, and this is UNICOR's annual report for 2002, which was just released.

Let me give you some of the highlights of their annual report. Like many annual reports, they give you a history of the company. This company was formed in the 1930s. The competition was described as "will reduce to a minimum competition with private industry or free labor."

So in the 1930s, when the Federal Government said we need to have prisoners working, we need to have them employed, as the Federal Government established Federal Prison Industries, as they established UNICOR, they said we need to make sure that we keep Federal prisoners, people who have broken the law, that we keep them busy and we keep them occupied in such a way that there is minimum competition with private industry or private labor. It is a great goal; it is a great objective. That is the mandate of Federal Prison Industries.

Too bad, 70 years later this company has forgotten its roots. This goes through this administration, it goes through the Justice Department. Under this administration, Federal Prison Industries has become a growth industry.

Net sales increased last year from \$583 million to \$678 million. Imagine that you had constituents in your hometown who worked in the office furniture industry, who worked in the textile industry, who made automotive components, who made a whole series or range of products. Many of these industries are hurting.

I have visited cut-and-sew textile factories in the southern part of this country. I have visited them in Pennsylvania, I have visited them in New York City, I have visited them in the Northeast. Cut-and-sew operations in America are a tough business.

For Federal Prison Industries it is a growth business, such a growth business that a little less than a year ago, Hathaway Shirts in Maine had to shut their doors after a major shirt order went to Federal Prison Industries and did not go to private competition, to the private sector.

Those individuals who represent the folks of Maine, who represent the workers at Hathaway Shirts, now have to go back to those workers, to that company, to that community, and say, what? Your job is gone. Not only is your job gone, your business is gone, the doors are padlocked. But we have kept Federal prison inmates busy. We have lost your jobs, but we have created new jobs in our Federal Prison Industries.

Some may say this is what it means to create high-quality, high-paying jobs in America. But for these 21,779 workers it means being paid at a rate of 23 cents to \$1.15 an hour. Not a bad deal. Not a bad deal for the Federal prisons, but a terrible deal for the workers at Hathaway Shirts; a terrible deal for that community in Maine that now has a factory whose doors have been padlocked, that has lost revenue in the tax base.

There is something wrong with this picture when the administration decides that creating jobs in Federal prisons is more important than keeping employers employing people in the private sector. But like I said, at least the folks in this Justice Department have defined Federal Prison Industries as a growth industry in America and an industry that they have grown by 16 percent over the last year, and where, in some cases, they have put in place plans to grow certain market segments by up to 50 percent in 2003.

Where are these factories? Are there just a few factories? No, there are a lot of factories around, and they may be in your community, and they may be in your backyard.

There are 111 factories in 71 different locations: Alderson, West Virginia; Atlanta, Georgia; Beaumont, Texas; Buckner, North Carolina; Dublin, California; Edgefield, South Carolina; Fort

Dix, New Jersey; Greenville, Illinois; Jessop, Georgia; Leavenworth, Kansas; Lee, Virginia; Manchester, Kentucky; Miami, Florida; Oakdale, Louisiana; Pollock, Louisiana; Raybrook, New York; Saford, Arizona.

□ 2145

Also in Sandstone, New Mexico; Seagoville, Texas; Terre Haute, Indiana; Tucson, Arizona; Yazoo City, Mississippi.

By the way, those are the factories that just manufacture clothing and textiles. Who makes electronics? Beaumont, Texas; Big Spring, Texas; Danbury, Connecticut; Fairton, New Jersey; Lexington, Kentucky; Lompoc, California; Loretto, Pennsylvania; Marion, Illinois; Memphis, Tennessee; Otisville, New York; Oxford, Wisconsin; Petersburg, Virginia; Phoenix, Arizona; Rochester, Minnesota.

Those are the communities that have Federal prisons, Federal prison factories that pay no taxes. They also have factories that do fleet management, vehicular components, graphics, industrial products, office furniture.

This has impacted my district significantly, the office furniture industry. This is an area that the Justice Department has said, office furniture, that looks like a growth market to us. So last year they grew office furniture from a business of \$74 million to \$117 million, a 24 percent growth rate.

I know a little bit about the office furniture industry. I used to work in the office furniture industry. If we take a look at this, we would say, wow, this is an exciting industry to be in, a 24 percent growth rate. The problem is, that is a 24 percent growth rate for Federal Prison Industries.

Is that not what is happening in the industry as a whole? Has the industry not grown by 24 percent? Office furniture, that used to be a great industry; or that is a great industry. The answer is, no, it has been a miserable industry over the last couple of years. The companies are good and the people working in the office furniture industry are many of my friends. That is one of the biggest employers in west Michigan.

What has happened to this industry? As Federal Prison Industries, as this administration, as this Justice Department has grown, Federal Prison Industries at a rate of 24 percent, the industry has decreased by 40 percent. The office furniture industry in America today, whether it is in western Michigan, whether it is in Iowa, whether it is in Pennsylvania, or whether it is in factories down south, is in a recession. Some would say it is more close to a depression. The overall industry volume has declined by 40 percent.

But this Justice Department says, we do not care about what is happening in the real world. We do not care that in this industry in a small part of west Michigan we have laid off somewhere in the neighborhood of 13,000 to 15,000 to maybe 17,000 workers, when we con-

sider the companies themselves as well as their suppliers. We do not care that we have to lay off workers. This is a growth industry for us, and we are going to keep growing it.

As a matter of fact, if we take a look at the documents that Federal Prison Industries has put out themselves, they are prepared to grow office furniture by another 50 percent in 2003, in a year when the Office Furniture Association predicts that the industry may decline by another 3 to 5 percent.

So while this Justice Department continues on its growth path and says, in the Justice Department we believe in creating high-quality, high-paying jobs, we are going to create more of those 23-cent-an-hour jobs, we are going to create more of those 40-cent-an-hour jobs, we are going to build more of those factories that pay no Federal taxes, that pay no local taxes, and pay no State taxes. Because we think that that is good for America's economy. We think that is good for the State of Michigan, we think that is good for the State of Iowa, we think that is good for the State of Pennsylvania, and we think that is good for the State of Alabama. Let us get those folks working, and if it costs another 2,000 jobs in the private sector, so be it.

Shame on this Justice Department for taking this kind of strategy and taking an industry that has contracted by 40 percent and saying, you are still our target market. We are going to get as much of this business as we can as quickly as we can, and we are not going to adjust our business strategy one iota because of what is happening in the real world.

This Justice Department has forgotten the original mission of Federal Prison Industries, the one that said, we will have a minimal impact on the market or free labor. This Justice Department has said, we are going to have a major impact. We are willing to grow our business by \$43 million and grow it by 24 percent as the industry is decreasing. And as a matter of fact, we are prepared to grow it another 50 percent this year, even as the industry continues to contract.

So as Federal prison factories in Allenwood, Pennsylvania; in Ashland, Kentucky; in Beckley, West Virginia; in Coleman, Florida; in Dublin, California; in Florence, Colorado; in Forrest City, Arkansas; Lompoc, California; Marianna, Florida; McKees Rocks, Pennsylvania; Milan, Michigan; Morgantown, West Virginia; Schuylkill, Pennsylvania; Sheridan, Oregon; Taft, California; Tallahassee, Florida; Texarkana, Texas; as these factories continue producing office furniture, as they continue growing and perhaps building new factories, factories in west Michigan will join the same picture of Hathaway Shirts in Maine.

What do I mean? Their doors will be shut, their workers will be laid off, and the workers will wonder, why is it that, as a taxpayer, my Federal government is taking my job from me? Why is it

that I do not even have the opportunity to compete for that business?

What do I mean? When Hathaway Shirts and others in the shirt business, the cut-and-sew business, wanted to make shirts for the Federal Government, primarily for the military, they could not compete for the business. If the Pentagon walked in and said, we need 150,000 dress shirts for the Air Force, Federal Prison Industries could just say, we will take that order, which is exactly what they did.

Even though Hathaway and other shirt companies might have been able to produce a better quality product at a lower price at a better delivery schedule, those workers never had a chance to save their jobs because Federal Prison Industries or Unicore has what is called mandatory sourcing: If we make it, you, the Federal Government, must buy it, even though there is a high probability that you can get a better quality product at a lower price quicker through the private sector.

The same thing happens in the office furniture industry. The same thing happens in the automotive businesses. That when those workers say, at least give us a chance to compete so we can keep our jobs, Federal Prison Industries say, sorry, that is not how it works.

As a matter of fact, it has gotten so ugly that now as Federal Prison Industries and their board has tried some reforms, a step toward reform actually has taken a back seat. Federal Prison Industries, the board said, hey, we are going to allow Federal customers to choose best value or to take an alternative product if Federal Prison Industries cannot meet the price.

But I will give credit to Federal Prison Industries. They thought through that, so they have implemented a new rule. It says, when the military now wants to buy those shirts or wants to buy that office furniture, they will let the private sector bid. They will have the formal bid opening and say, Hathaway, you have won the bid. But Federal Prison Industries will say, whoa, wait a minute, we have not bid yet.

In any other case, if a company has missed the bid deadline, they are out of the drawing. Hathaway, you got the bid, congratulations. But, no, this is Federal Prison Industries. This is the Federal Government. It works a little differently here because now when Hathaway wins the bid, it is kind of like, whoa, hold up. That is only the first round. The second round is, Hathaway, give us your bid documents. That means, Hathaway, give the bid documents to Federal Prison Industries.

Or XYZ furniture company, you have won the bid. But you have not really won. You have won the first round. So give your bid documents, the winning documents, give them to Federal Prison Industries; and we will submit our bid in a week or two. Now that we know what you have bid, we will decide

whether we are going to match your price. By the way, if we match your price, we win the bid. No one else can say, well, it is not a comparable product, the delivery is not as good, the quality is not as good. If we match the price, we win.

What a deal. What a deal for Federal Prison Industries. They just pulled this new practice out of the hat in the last couple of weeks and have now started implementing it.

We have talked about issuing reform. As we are talking about this, this is not just the gentleman from Michigan (Mr. HOEKSTRA) that believes that reform means needs to take place. We have been working at this reform for the last 5 years saying this process, and actually I think it is appropriate to describe it as criminal, this process that is going on is criminal, and that is a good word to relate to Federal Prison Industries.

But my lead cosponsor on the Democratic side of the aisle is the gentleman from Massachusetts (Mr. FRANK). The gentleman from Georgia (Mr. COLLINS), my colleague on the Republican side of the aisle, is another cosponsor. The gentlewoman from New York (Mrs. MALONEY), from the Democratic side of the aisle, is another cosponsor to reform this process.

All we are saying is, let those workers in the apparel industry, in the automotive industry, in the furniture industry, just let those workers have the opportunity to compete for the business and compete to be able to keep their jobs. That is all we are asking. We are not saying take the products out, we are just asking to be able to provide our workers with a fair chance.

We are asking because this Justice Department is not adhering to the original mandate of Federal Prison Industries. They are having a maximum impact on the private sector in free labor. They are going after industries that are down and they are kicking them again and again and again and not giving them a single break. It needs to change.

I have talked about Federal Prison Industries. I have talked about the 111 factories that they currently have in place. In Maine, as they are closing cut-and-sew operations, textile operations around the country, as they are laying off office furniture workers, as they are shutting some plants and as some plants are going up for sale, what is happening with Federal Prison Industries? They are projecting that they are going to build another 17 new facilities.

How many Members tonight would not be excited if a new company was going to open up in their community and employ maybe another 500, maybe another 1,000 workers in one of our communities? It may happen. The only problem is, it is going to be a Federal Prison Industries plant that our workers will not be able to compete for. As a matter of fact, it may put our work-

ers out of jobs. That new factory may cause us to shutter another factory, a factory that had 500 to 1,000 workers, paid local property taxes, paid people a living wage, provided people with health care, donated to charities in the community, was a good public citizen. That factory may now be shuttered. The jobs are gone. The workers are standing in the unemployment line.

Now we will have this brand new factory there called Federal Prison Industries. That will be paying workers 23 cents to \$1.15 an hour.

□ 2200

The factory will not pay any property taxes to support your local schools, to support your local business infrastructure. It will not pay any State taxes. The workers will not pay any Social Security. The workers are not even covered by OSHA.

It is really interesting, as we in this Chamber sometimes debate prison labor, we have not had the debate on this floor about prison labor in the United States. We will condemn the Chinese and the unfair competition that the Chinese wage against American workers; but as we have had that debate, perhaps little did we know about the unfair competition of prisoners in American prisons and the competition that they are providing and the real impact that they are having on American workers today.

The legacy of this Justice Department is putting more Americans out of work, building new prison factories, shuttering private factories around the country, weakening the tax base of communities around the country and building its own business. The office furniture industry, the textile industry, automotive components. We have all of these industries. They are competing in a tough global market. They are competing against imports from China, from Japan, from Korea each and every day; and now we are finding out that when it comes to selling to the American Government, to the Federal Government, they cannot even compete for the business. We have guaranteed the business to plants that pay their workers 23 cents an hour, that do not have to abide by OSHA, and do not have to pay any taxes. That is the legacy of this Justice Department.

It is unfair and it is inappropriate. We have talked about the bipartisan coalition of House Members that support reform. Bipartisan, I guess, is the appropriate word, because when we take a look at who else supports reform, you might say, well, of course, it would be the Chamber of Commerce; of course it will be the National Federation of Independent Businesses; but of course it is also the AFL-CIO; of course it is the Teamsters; of course it is organized labor around America because we are putting small businesses out of business. We are unemploying organized and unorganized workers. We are all in this together and we are going to change it, but we are going to change

it in spite of this Justice Department, not because of it.

This Justice Department is providing no assistance at all. Matter of fact, every time we come up with a reform that we try to move administratively, and this Justice Department could fix it overnight by just saying we are going to provide a blanket waiver and we are going to allow American workers to compete, it could be done administratively, but every time we take one small step in that direction, this Justice Department comes back and pushes back to make sure that they preserve their monopoly and they continue their progression of growth.

What do I mean by growth? I have talked about it a little bit tonight. Last year, clothing and textiles did not have a very good year. They only grew by 1 percent. Electronics. Federal Prison Industries' electronics. They make electronic stuff for our military. That grew by 14 percent.

Now, I think this Justice Department, for some reason, really has it in for Michigan. We are a great tourism State, we are a great agricultural State, we are a great office furniture State, and we are a great automotive component State. But take a look at this: fleet management and vehicular components. In 2001, it was \$31 million. Last year, they grew it to \$99 million. Automotive components grew by 216 percent. How many American workers do you believe are now unemployed because of the actions of Federal Prison Industries in the automotive components sector?

They had a bad year in graphics; they had a bad year in industrial products. They both declined. Office furniture, another good year. Increase of 24 percent. Recycling. Now, there is something you might think would be really worthwhile, but they declined in recycling. In services, here now they are getting into the services business. This is the first entry that this Justice Department is saying, through some very loose interpretation, not only are we going to be able to go and sell and mandate to government; but we are now going into the private sector, and we are going to compete with private industry in the commercial market. Forty-one percent. This Justice Department is going to grow their Federal Government business, and they are going to grow and compete in the private sector. It is absolutely unbelievable the growth plan that Federal Prison Industries is under today. The overall net result is that last year Federal Prison Industries grew by 16 percent.

What else do we know about Federal Prison Industries as we go through their annual report? Take a look at what they produce. Fleet management. Vehicular components. The business group. Rebuild and refurbish vehicle components. New vehicle retrofit services. Fleet management. Customized services and programs. Turn-key solutions. Clothing and textiles. Law enforcement, medical, military and institutional apparel. Mattresses, bedding,

linens and towels. Embroidery, screen printing, custom-made draperies and curtains. Industrial products. Dorm and quarters furnishings. Industrial racking. Catwalks. Warehouse office shelving. Custom fabricated industrial products. Lockers and storage cabinets. Optical eye wear. Security fencing. Replacement filters.

I wonder if we go back and take a look at each one of these how many of these industries were actually growth industries last year and then compare them to what happened at Federal Prison Industries. My guess is they probably grew at Federal Prison Industries and declined in the rest of the world.

Graphics business group. Custom engraving and printing on awards, promotional gifts and license plates. Interior and exterior architectural safety and recreational signs. Printing and creative design services. Remanufacturing of toner cartridges. Office furniture group. Office furnishings and accessories. Seating products. Case goods. Training and table products. Office systems products. Filing and storage products. Packaged office solutions. A turnkey solution. Electronics business group. Exterior and interior task lighting systems. Wire harness assemblies and circuit boards. Electrical components and connectors. Electrical cables, both braided and cord assemblies.

The one with office furniture is really kind of an interesting one. Not only are they growing that industry, but last year, if you go to their Web page, you will find that they signed a contract to assemble and to mandate that the U.S. Federal Government buy office furniture from a company where the components were built in Canada. Hey, now there is a goal for American workers. One of the major competitors to the office furniture industry in America have been companies from Canada because of the exchange rate. So what does the U.S. Federal Government do? What does this Justice Department do? It goes to a Canadian furniture company and says, hey, we are going to partner with you. You ship some of the components in, we will assemble it, and if we cannot fill the order, you just fill the order with finished products and we will mandate that the Federal Government, the U.S. Federal Government, buy Canadian office furniture.

Wow, what a deal for the American taxpayer. What a deal for American workers. Think about it. As some of our furniture workers are laid off, some of them may have been called up for reserve duty or some of them may have had sons and daughters who went to the Middle East and fought in Iraq, and the thanks that they get from this Justice Department is that we are going to sign a contract with a company that did not even stand by America and we are going to ship your job to them.

Shame on this Justice Department. Shame on this Justice Department for

putting American workers in a position where they cannot even compete for their own jobs. Shame on this Justice Department for going out and signing contracts with Canadian companies that put American workers out of jobs. Shame on this Justice Department for forcing the American Federal Government to buy Canadian products. Think about it.

I have talked about who supports our bill for reform. Who else is outraged? Democrats and Republicans. The chairman and the ranking member of the Committee on the Judiciary all support our reform efforts. The administration and the Justice Department are nowhere to be found. I am not sure where they are. We are waiting for an answer. I know where the Justice Department is. The Justice Department is bent on growing Federal Prison Industries, and they do not care about putting more American workers out of work.

A bipartisan coalition, Republicans and Democrats, a bipartisan coalition of interest groups, business groups and labor groups, all of whom are outraged by what this Justice Department is doing. And you say, well, what about the folks who have to buy this stuff? What about the procurement managers? What about the people in the Federal Government agencies who see this process where they get a competitive bid and they say, you have won, and then Federal Prison Industries says, well, wait a minute, let us bid and we will get our bid back to you in a week.

Well, does this procurement manager says, oh man, I have done business with you before; or is it like, yes, all right, UNICOR, Federal Prison Industries, I cannot wait to get your bid? What is it? Federal procurement managers and the Federal Procurement Managers Association, they support reform because they are looking at it and they are saying, oh no, here comes Federal Prison Industries. We have dealt with them before. When you have mandatory sourcing, when you mandate that you will buy it from us, we know exactly what we get. Because if they deliver a poor quality product at a high price and it takes us forever to get it, the next time we have to buy that product or service, guess what, we have to go back to them again and we cannot do anything about it.

So the Federal Procurement Managers Association support our reform efforts. They come back to us and say you are asking us to do more with less; and then you tie our hands behind our back and say, by the way, you have to use Federal Prison Industries.

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Not a bad deal for Federal Prison Industries. But it is a terrible deal for taxpayers and a terrible deal for those government workers who are trying to do the best they can, but we have limited their ability to make the kinds of decisions that they would like to make.

What else do we know about Federal Prison Industries? I have mentioned this before. It is on page 24 of their annual report, taxes. As a wholly-owned corporation of the Federal Government, FPI, Federal Prison Industries, is exempt from Federal and State income taxes, gross receipt taxes and property taxes.

The bottom line is, as we do tax reform, we would all like to get the kind of tax deal that Federal Prison Industries has which says we pay nothing. By the way, as we close factories in your community and those tax dollars are lost to the community, sorry, we are not going to add back into your tax coffers with our 111 factories or the 17 new ones we are going to build. That is just a loss for the community, and we are sure you will get over it.

Some of you may have heard me talk about Federal Prison Industries before. You are saying why are you bringing it up now again? There are a couple of reasons, the first of which is we are hoping that very soon the House will consider H.R. 1829, a reform bill. What this reform bill says, as a procurement manager, you will have the opportunity to select the best price, the best value, the best-delivered product; and, UNICOR, you will have to compete for the business. You will have to compete against XYZ company if you expect to win.

We have got a great coalition, over 100 cosponsors. I have outlined the different business and labor groups that support our efforts and the different Federal workers who support our efforts, and we are excited about the possibility and the probability of moving this bill.

But the other reason that I am here tonight is just to one more time highlight the latest outrage by Federal Prison Industries. Federal Prison Industries, their board of directors on March 10 adopted a resolution that says FPI grants and waivers in all cases where the private sector provides a lower price for a comparable product that Federal Prison Industries does not meet. So it says, if XYZ company, if Hathaway Shirts, Herman Miller or any of the other companies provides a product at a price that Federal Prison Industries cannot meet, the Federal procurement manager can go to one of these companies.

Now we figured that Federal Prison Industries would try to subvert our activities in this reform. Never in our wildest dreams did we think that this Justice Department would let Federal Prison Industries go down the direction that they have gone. It is absolutely outrageous. What we saw, the first thing was this Justice Department said, well, we are going to let Federal Prison Industries make the determination as to whether the bids were of comparable quality, comparable price and comparable delivery. That is what we expected them to do, and we believed at that time that Federal Prison Industries would have subverted this

attempt at reform by saying that may have been a lower bid, but it is not of comparable quality, and so we win. That is how it works today. That is what the ombudsman does today. If Federal Prison Industries needs the volume, they just make the determination and say, yes, it might have been an interesting bid, but, sorry, Federal Prison Industries wins the bid.

Federal Prison Industries even got more creative. They said, we are going to wait for everybody else to bid, and when all of the other bids are in and the bids are opened and exposed to the public, we will then take those bids and we will prepare our own bid. Guess what? Federal Prison Industries never loses. They have come up with this in the last couple of weeks.

Like I said, I have got to give them marks for their creativity, but the sad truth is it is one more case where this Justice Department is not interested in American workers. They are interested in one thing, to make sure that Federal Prison Industries never loses a bid, that it grows by 24 percent in office furniture, that it puts our textile business in the private sector out of business, that it grows automotive components by 216 percent. And that growth rate is going to continue in the future, and if we lay off another 25,000 people in the private sector, no big deal because we need to put prisoners to work. We are not going to put them to work in activities that do not compete with the private sector, we are going to put them and give them jobs in an area where there is a direct impact on American workers.

Mr. Speaker, I have a company in my district recently that won a bid for \$6 million. They were excited. The industry is down, the company is down, and the end result was, yes, we have won the bid. We are going to put some people back to work. Federal Prison Industries came back and said, you won the first round. We are now going to bid. They bid, and it looks like they are going to take the business.

It is a big order, \$6 million. They submitted the bid. The other companies submitted their bids. They had the bid openings. This company thought they won. It was like, yes, we needed that. We needed that shot in the arm to kind of give some encouragement to our workers and either keep some workers working and maybe call some back. Out of the blue comes Federal Prison Industries. They say, thanks, we would like copies of your bids. We demand access to the entire offer of the winning private firm, and the bid probably has substantial development and design work in it, so FPI now gets all of the benefit of getting this whole bid package and seeing how somebody else has laid it out, and so they steal the creative work, and I think that is an appropriate theme. They steal the creative work, they put together their own bid, and guess who is going to win the bid?

I just wonder how many people who have worked in the private sector and

have worked in the bidding process would like to compete in that type of process where you get to submit your bid, and a week or 2 weeks after everybody else has submitted theirs and every other bid has been opened and you have access not only to the bid number but to all of the documents used to prepare the bid, and we give that all to you and say, okay, now you prepare your bid. Who do you think is going to win? I know who is going to win. It is Federal Prison Industries.

This is an insult to American taxpayers. It is an insult to American workers. Really, it is an insult to this Justice Department. They are better than that, or they should be. But to date they have not shown that to be the case.

It is a growth industry. It is a growth industry that is directly impacting American workers each and every day. Ask the workers at the Hathaway Shirt Company. Excuse me, there are no workers at the Hathaway Shirt Company any more because their business is closed.

There is still a textile business in the U.S. It so happens that the majority of the textile business is Federal Prison Industries. There are workers in Pennsylvania, there are workers in Maine, other parts of the Northeast, and workers in the South who would love to have the opportunity to compete for \$159 million worth of business. There are workers in the automotive business who would love to compete for \$99 million worth of business. There are people in the electronics industry who would love to compete for \$132 million worth of business. There are people in the office furniture industry who would love to compete for \$217 million worth of business, but they cannot. As a result, American workers will continue losing their jobs through this administration, as Federal Prison Industries, through this Justice Department, continues an aggressive role of expansion.

It is a sad day. American manufacturing is under assault from all corners of the globe, from Europe, Eastern Europe, the Caribbean when it comes to textiles, from Africa, manufacturing from Mexico, from Canada, from Japan, Korea, China. So manufacturing is under assault. Our services are under assault. But what happens? Not only are our workers competing against foreign competition, they are also competing against their own government. Their own government is consciously putting them out of work each and every day.

This Justice Department is consciously, think about it, this Justice Department is consciously making the decision each and every day that says if we need to choose between a job in the private sector or a job in a prison, we are going with the worker in prison. We are going to create that 23-cent-an-hour position in a Federal prison even if it means eliminating a \$10-15-an-hour job with full benefits in the private sector.

That is the decision that this Justice Department is making each and every day. That is the decision that Ken Rocks, who is chairman of the UNICOR board of directors, is making every day, saying I am willing to put American workers out of work to create more jobs in Federal prisons.

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I am willing to put enough workers in the private sector out of jobs so that I can fill 111 factories and so that I can create enough jobs so that I can build 17 new factories over the next few years.

Shame on this Justice Department. And I am disappointed in Ken Rocks. He came in with so much hope, with a passion that says, we need to keep people working, because when we shutter a plant and the windows get broken, it takes hope out of the community. And the end result is that is exactly the process that Federal Prison Industries is going under under his watch, shuttering more doors, killing more jobs in the private sector.

Ken, I am disappointed. I am disappointed in this Justice Department. I am disappointed in this FBI board. They have done absolutely nothing to help American workers when they need it most, when this economy is in recession, when our workers are under attack from all corners of the world, rather than this Justice Department backing off, rather than this UNICOR board under Ken Rocks backing off and giving some relief to American manufacturers, to American workers, this Justice Department is kicking American workers when they are down, kicking American workers when they are down, kicking their families when they are down. It is disappointing when American workers have to look over their shoulders to see whether the Justice Department has painted an X on their job. Not because they have done anything wrong but because Federal Prison Industries and this Justice Department have decided that your job right there is the next job that is going to be eliminated. Actually it is not going to be eliminated. Your job right there is going to move from the private sector; it is going to move from an employer that has a plant that pays taxes, and you are going to move from being a taxpayer to being unemployed and we are going to take that job and we are going to move it into a prison. And there is nothing you can do about it. You cannot compete for that job, you cannot provide a better quality product at a better price at a better delivery. That job is gone. And there is nothing you can do about it.

Mr. Speaker, this annual report from Federal Prison Industries says it all. It talks about the wages. It talks about the taxes. It talks about the growth. It talks about anticipated growth. It lays out the path that Federal Prison Industries under Ken Rocks that this Justice Department under John Ashcroft has set out, a growth industry in America.

The sad story in America, in the American economy today, is that one of the fastest growing businesses in America, one of the fastest growing manufacturing and service industries in America today, you will not find traded on the NASDAQ, you will not find it traded on the New York Stock Exchange, you will not find it listed in NFIB as one of the fastest growing entrepreneurial companies in America or one of the fastest growing small businesses in America. The sad point is one of the fastest growing companies in America today is a company that pays 23 cents an hour, provides no benefits and pays no taxes and is run by the Federal Government and attacks American workers and their families each and every day.

#### REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1588, NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2004

Mr. DREIER (during the Special Order of Mr. HOEKSTRA) from the Committee on Rules, submitted a privileged report (Rept. No. 108-120) on the resolution (H. Res. 245) providing for consideration of the bill (H.R. 1588) to authorize appropriations for fiscal year 2004 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 2004, and for other purposes, which was referred to the House Calendar and ordered to be printed.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. STUPAK (at the request of Ms. PELOSI) for today on account of official business.

Mr. BOSWELL (at the request of Ms. PELOSI) for today on account of official business.

#### SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. HINCHEY) to revise and extend their remarks and include extraneous material:)

Mr. PALLONE, for 5 minutes, today.  
Mr. HINCHEY, for 5 minutes, today.  
Mr. LIPINSKI, for 5 minutes, today.  
Mr. DEFAZIO, for 5 minutes, today.  
Mr. SHERMAN, for 5 minutes, today.  
Ms. NORTON, for 5 minutes, today.  
Ms. KAPTUR, for 5 minutes, today.  
Mrs. JONES of Ohio, for 5 minutes, today.  
Mr. KIND, for 5 minutes, today.  
Mr. EDWARDS, for 5 minutes, today.  
Mr. DOGGETT, for 5 minutes, today.  
Mr. REYES, for 5 minutes, today.  
Mr. LAMPSON, for 5 minutes, today.  
Ms. CARSON of Indiana, for 5 minutes, today.

(The following Members (at the request of Mr. GUTKNECHT) to revise and extend their remarks and include extraneous material:)

Mrs. BLACKBURN, for 5 minutes, today.

Mr. BEAUPREZ, for 5 minutes, today.

Mr. JANKLOW, for 5 minutes, May 21.

Mr. CULBERSON, for 5 minutes, May 21.

(The following Member (at the request of Mr. FLAKE) to revise and extend his remarks and include extraneous material:)

Mr. NUSSLE, for 5 minutes, today.

#### EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. BURTON of Indiana, and to include therein extraneous material, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost \$5,720.

#### SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. Con. Res. 44. Concurrent resolution recognizing the contributions of Asian Pacific Americans to our Nation; to the Committee on Government Reform.

#### SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 243. An act concerning participation of Taiwan in the World Health Organization.

S. 870. An act to amend the Richard B. Russell National School Lunch Act to extend the availability of funds to carry out the fruit and vegetable pilot program.

#### ADJOURNMENT

Mr. HOEKSTRA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 34 minutes p.m.), the House adjourned until tomorrow, Wednesday, May 21, 2003, at 10 a.m.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

2284. A letter from the Regulatory Contact, Grain Inspection, Packers and Stockyards Administration, Department of Agriculture, transmitting the Department's final rule—Exceptions to Geographic Areas for Official Agencies Under the USGSA [Docket No. FGIS 2003-003] (RIN: 0580-AA76) received May 16, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

2285. A letter from the Director, Regulatory Review and Foreign Investment Disclosure Group, Department of Agriculture,

transmitting the Department's final rule—Acreage Reporting and Common Provisions (RIN: 0560-AG79) received May 14, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

2286. A letter from the Acting Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Pesticides; Minimal Risk Tolerance Exemptions [OPP-2003-0126; FRL-7302-6] received May 16, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

2287. A letter from the Acting Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Indoxacarb; Pesticide Tolerances for Emergency Exemptions [OPP-2003-0151; FRL-7305-2] received May 16, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

2288. A letter from the Acting Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Pyriproxyfen; Pesticide Tolerances [OPP-2003-0109; FRL-7305-9] received May 14, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

2289. A letter from the Acting Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Pyraflufen-ethyl; Pesticide Tolerance [OPP-2003-0163; FRL-7306-1] received May 14, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

2290. A letter from the Under Secretary, Department of Defense, transmitting a report entitled, "Federally Funded Research and Development Center's Estimated FY 2004 Staff-years of Technical Effort," pursuant to Public Law 107-248, section 8029(e); to the Committee on Armed Services.

2291. A letter from the Acting Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Air Quality Implementation Plans and Designation of Areas for Air Quality Planning Purposes; Wisconsin [WI114-01-7344a, FRL-7484-2] received May 16, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

2292. A letter from the Acting Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Air Quality Implementation Plans; District of Columbia, Maryland, Virginia; Post 1996 Rate-of-Progress Plans and One-Hour Ozone Attainment Demonstrations [DC052-7007, MD143-3102, VA129-5065; FRL-7484-6] received May 16, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

2293. A letter from the Acting Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; Louisiana: Revision to the Ozone Maintenance Plans for Beauregard, St. Mary, Lafayette, and Grant Parishes and the New Orleans Consolidated Metropolitan Statistical Area [LA-56-1-7491a; FRL-7485-6] received May 16, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

2294. A letter from the Acting Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of State Implementation Plans and Designation of Areas for Air Quality Planning Purposes; California—Coachella Valley [CA-274-0372; FRL-7473-4] received May 16, 2003, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.